Alberta

News release

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$12 billion health budget addresses growth pressures, sustainability

Budget highlights:

- *2007-08 Health and Wellness program spending increasing by $1.3 billion, or 12.2 per cent, to $12 billion*
- *Operating funding for health authorities increasing by $574 million, or an average of 9.5 per cent, to $6.6 billion*
- *Northern Lights Health Region receiving $58 million to assist with providing health services to a transient population in a high-growth area*
- *Primary Care Networks receiving an increase of $11.5 million, or 14.3 per cent, to $92 million*
- *Funding allocated to build a new acute care facility in Grande Prairie*

Edmonton... A significant increase in health spending will address pressures from population growth and workforce challenges while also addressing long-term sustainability of the health system through investments in a pharmaceutical strategy, primary health care, electronic health records and wellness.

The Health and Wellness budget will grow to $12 billion in 2007-08, up $1.3 billion or 12.2 per cent over last year. This makes up 36 per cent of the overall provincial budget.

"This significant investment addresses pressures the health system is facing - including recruiting and retaining health care professionals and a growing population," said Dave Hancock, Minister of Health and Wellness. "The additional funding will also allow us to continue implementing innovations that will build a sustainable health system for the future."

Health authority operating funding

In 2007-08, base operating funding for health authorities will increase by $574 million, or an average of

9.5 per cent, to $6.6 billion. This increase includes a special provision of $58 million for the Northern Lights Health Region and $8 million to Peace Country Health.

Funding for Northern Lights will assist the health region with pressures associated with providing health services to a transient population in a high industrial growth area - specifically operating costs for new community clinics in Fort McMurray and the same northern allowance for health staff that is provided to provincial government employees in that region. Funding for Peace Country Health will assist with the extraordinary costs of staff retention.

Promoting wellness, injury and disease prevention, and public health emergency preparedness

Wellness and disease prevention are key factors in addressing long-term sustainability of the health system since demands on the system decrease as personal wellness improves. In 2007-08, funding for health promotion, injury and disease prevention, and health protection activities will increase by $40 million, or
31.6 per cent, to $167 million.

The increase reflects $30 million to build an inventory of pandemic supplies in the regional health authorities, $5.3 million to address higher operating costs for the two provincial laboratories of public health, and the remainder is for programs such as vaccines or sera that are part of immunization strategies. Included in the $167 million is funding for the continuation of other wellness initiatives such as promoting healthy lifestyle choices, healthy weights and injury prevention.

Health system sustainability

Productivity reforms and health system sustainability also receive a boost in this budget. Primary Care Networks, which improve efficiencies by encouraging team approaches and more co-ordinated patient care, receive an $11.5 million increase this year, or a 14.3 per cent increase, to $92 million. This amount is included in the $363 million increase for physician services. Funding for Electronic Health Record initiatives is

$25.5 million in 2007-08 to expand the delivery of fast, up-to-date patient health information and assist health care providers in making more informed patient care decisions. A total of $4.5 million has been allocated for the development of an Alberta Pharmaceutical Strategy. The strategy will focus on four priority areas - access, fair and reasonable prices, appropriateness and governance.

Workforce strategy

The Alberta government is developing a comprehensive Health Workforce Plan aimed at recruitment, retention and training. Annual funding totaling $30 million has been provided in Employment, Immigration and Industry's budget to address labour shortages in the health care sector.

Health facilities

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More than $2.6 billion is slated for health facilities infrastructure over the next three years. This includes:

- $250 million to commence replacement of the Queen Elizabeth II Hospital in Grande Prairie;
- $221 million for increased cost escalation on previously approved health projects; and
- $26.4 million for the Northern Lights Health Region for housing units for health care providers, a helipad at the Northern Lights Regional Health Centre and new community clinics in response to recommendations in the Radke Report, *Investing in our Future: Responding to the Rapid Growth of Oil Sands Development*.
- Funding to continue work on more than 30 previously approved health projects including:
    - In Calgary, redevelopment and expansion of the Peter Lougheed Centre, Rockyview General Hospital and Foothills Medical Centre; constructing the South Calgary Health Campus; constructing the new Sheldon M. Chumir Health Centre and the upgraded Richmond Road Diagnostic and Treatment Centre;
    - In Edmonton, redevelopment and expansion of the Misericordia, Grey Nuns, Royal Alexandra and University hospitals, including the new Mazankowski Alberta Heart Institute at the University Hospital and a new elective surgery centre at the Royal Alexandra Hospital; construction of the new Edmonton Clinic in partnership between Capital Health and the University of Alberta;
    - Replacement of the hospital in High Prairie and the Fort Saskatchewan Health Centre, a new hospital in Sherwood Park, and redevelopment of regional and community hospitals in St. Albert, Lethbridge, Rimbey, Edson, Barrhead and Viking;
    - Construction of new community health centres in Red Deer, Calgary and Edmonton; and
    - Construction of new long-term care facilities in Red Deer, Edmonton, High Prairie, Vermilion and Vegreville.

Physician services

The budget for physician services in 2007-08 rises to $2.4 billion. The increase includes the cost of the tentative Tri-Lateral Master Agreement between the Alberta Medical Association, the Regional Health Authorities, and Health and Wellness for physician services. As part of the agreement, $38 million has been set aside for the Clinical Stabilization Initiative this year.

The initiative will be used as a recruitment and retention initiative to support communities facing unique health delivery needs, and to address extraordinary increases in physician practice costs, such as rising office rents. The increase for physician services also includes $25 million to address growth in compensation models that address the multiple roles of academic physicians in teaching, research and clinical service.

Non-group health benefits

Non-group health benefits will rise $64 million or 9.6 per cent this year to $732 million. The increase is due primarily to the increased use and cost of prescription drugs. The budget for non-group health benefits includes benefits such as prosthetic and orthotic devices, ground ambulance services and subsidization of prescription drug costs primarily for seniors, but also for Albertans who don't have access to employer-sponsored drug plans.

Budget 2007 supports Premier Ed Stelmach's plan to manage growth pressures, as well as government's priorities of governing with integrity and transparency, improving Albertans' quality of life, building a stronger Alberta, and providing safe and secure communities.

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Attachment: 2007-08 Health Authority Operating Grants

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2007-08 Health Authority Operating Grants

Health Authority	2006-07 Forecast	2007-08 Allocation	Dollar Increase	Percentage change
Chinook Health	$270 million	$287 million	$17 million	6.0%
Palliser Health Region	$152 million	$162 million	$10 million	6.5%

Calgary Health Region	$2,011 million	$2,198 million	$187 million	9.3%
David Thompson Health Region	$481 million	$518 million	$37 million	7.7%
East Central Health	$195 million	$207 million	$12 million	6.0%
Capital Health	$2,105 million	$2,295 million	$190 million	9.0%
Aspen Regional Health	$213 million	$225 million	$12 million	6.0%
Peace Country Health	$197 million	$217 million	$20 million	10.1%
Northern Lights Health Region	$77 million	$140 million	$63 million	81.5%
Subtotal	*$5,701 million*	*$6,249 million*	*$548 million*	*9.6%*
Alberta Cancer Board	$256 million	$277 million	$21 million	8.5%

Alberta Mental Health Board	$53 million	$58 million	$5 million	8.6%
Total Allocation	**$6,010 million**	**$6,584 million**	**$574 million**	**9.5%**

Source: Budget 2007

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